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| NPRR Number | [1296](https://www.ercot.com/mktrules/issues/NPRR1296) | NPRR Title | Residential Demand Response Program |
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| Date | | October 28, 2025 | |
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| Submitter’s Information | | | |
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| Market Segment | | Independent Retail Electric Provider (IREP) | |

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| Comments |

Gexa appreciates the opportunity to submit comments supporting Nodal Protocol Revision Request (NPRR) 1296, which establishes ERCOT's proposed Residential Demand Response Program, and to express our alignment with the comments submitted by Reliant.

Gexa is a retail supplier who offers residential demand products to customers and understands the challenges with getting controllable devices in customers’ homes, connecting them with systems that can control assets, and controlling customer demand in a way that is acceptable to customers.

The ERCOT proposal has several advantages:

Simplicity - Given the need for additional resources to help manage load growth, ERCOT has proposed a simple structure that could quickly bring residential demand response at scale to the ERCOT marketplace.

Focused on REPs - Program is properly focused on residential customers through their REPs, the entities that have direct relationships with customers and understand how to market to residential customers, while already being subject to PUCT customer protection rules governing customer consent and disclosures.

Pay for Performance – The current ERCOT programs do not provide sufficient payment to incent REPs to invest enough to overcome the high barrier to entry of sending someone to a customer’s home to install a thermostat or a battery, develop technology that can model the complexity of how to adjust a customer’s resource in a way that will be acceptable to the customer, and the marketing costs necessary to get customers to enroll in such programs at the scale that ERCOT needs.

Gexa recognizes the impact of demand response deployment on wholesale market price formation and supports robust discussion at WMS to address these price formation concerns. Similar price formation issues have been raised previously regarding various market mechanisms, including Emergency Response Service (ERS) deployments, Reliability Unit Commitment (RUC), etc. However, the initial ERCOT proposal was modified to include a price cap to ensure that the market impacts would be small for this phase. Gexa sees the ERCOT proposal as a sensible pilot that will allow experimentation by REPs to determine how to deliver the demand response that ERCOT needs in a way that provides value to customers even if a different structure is needed once the program grows.

Residential demand exhibits extreme sensitivity to weather conditions and represents the predominant component of ERCOT system demand during both peak load and peak net load hours. However, residential demand response potential remains largely untapped in ERCOT. This proposal would catalyze the development of a robust residential demand response program, enhance grid reliability while simultaneously reducing electricity costs for residential customers.

ERCOT needs an all of the above solution to resource adequacy and residential

demand response can be an important tool with a relatively short lead time. Gexa looks forward to working with stakeholders to move this NPRR to implementation.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None